

IN THE MATTER OF:

Sauget Area 2, Site Q
Sauget and Cahokia, Illinois

Eagle Marine Industries, Inc.,
Monsanto Company, and
Solutia, Inc.

SETTLING PARTIES

AGREEMENT FOR RECOVERY
OF PAST RESPONSE COSTS

U.S. EPA Region 5
CERCLA Docket No. _____

V-W-98-C-494

PROCEEDING UNDER SECTION
122(h)(1) OF CERCLA
42 U.S.C. § 9622(h)(1)

I. JURISDICTION

1. This Agreement is entered into pursuant to the authority vested in the Administrator of the U.S. Environmental Protection Agency ("EPA") by Section 122(h)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9622(h)(1), which authority has been delegated to the Regional Administrators of the EPA by EPA Delegation No. 14-14-D.

2. This Agreement is made and entered into by EPA and Eagle Marine Industries, Inc., Monsanto Company, and Solutia, Inc. ("Settling Parties"). Each Settling Party consents to and will not contest EPA's jurisdiction to enter into this Agreement or to implement or enforce its terms. Settling Parties deny any and all liability under CERCLA or any other statute or regulation, and are settling this matter solely to resolve a disputed claim and to avoid costly litigation.

II. BACKGROUND

3. This Agreement concerns the Sauget Area 2, Site Q ("Site") located in Sauget and Cahokia, Illinois. EPA alleges that the Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

4. EPA alleges that: in response to the release or threatened release of hazardous substances at or from the Site, EPA undertook response actions at the Site pursuant to Section 104 of CERCLA, 42 U.S.C. § 9604; and in 1995, EPA, Region V, approved the fund lead removal to mitigate the threats posed by exposed drums containing hazardous waste. EPA further alleges that: EPA consolidated and removed the drum remnants, surface debris and vegetation; stockpiled and sampled all soils surrounding the exposed, buried drums; and disposed of all contaminated drums, soils, and non-hazardous materials (hereinafter "Removal Action"). U.S. EPA's final pollution report for the 1995 Removal Action indicates that Site equipment and personnel were demobilized between March 26-31, 1995.

5. In performing this Removal Action, EPA alleges that it incurred response costs at or in connection with the Site.

6. EPA alleges that Settling Parties are responsible parties pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and are jointly and severally liable for response costs incurred at or in connection with the Site.

7. The Regional Administrator of EPA Region V, or his/her delegatee, has determined that the total response costs of the United States at or in connection with the Site have not exceeded \$500,000, excluding interest.

8. EPA and Settling Parties desire to resolve Settling Parties' alleged civil liability for Past Response Costs associated with the Removal Action without litigation and without the admission or adjudication of any issue of fact or law.

III. PARTIES BOUND

9. This Agreement shall be binding upon EPA and upon Settling Parties and their, successors and assigns. Any change in ownership or corporate or other legal status of a Settling Party, including but not limited to, any transfer of assets or real or personal property, shall in no way alter such Settling Party's responsibilities under this Agreement. Each signatory to this Agreement certifies that he or she is authorized to enter into the terms and conditions of this Agreement and to bind legally the party represented by him or her.

IV. DEFINITIONS

10. Unless otherwise expressly provided herein, terms used in this Agreement which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Agreement or in any appendix attached hereto, the following definitions shall apply:

a. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.

b. "Agreement" shall mean this Agreement and any attached appendices. In the event of conflict between this Agreement and any appendix, the Agreement shall control.

c. "Day" shall mean a calendar day. In computing any period of time under this Agreement, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.

d. "EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies or instrumentalities of the United States.

e. "Interest" shall mean interest at the current rate specified for interest on investments of the Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in

accordance with 42 U.S.C. § 9607(a).

f. "Paragraph" shall mean a portion of this Agreement identified by an Arabic numeral or a lower case letter.

g. "Parties" shall mean EPA and the Settling Parties.

h. "Past Response Costs" shall mean all costs, including but not limited to direct and indirect costs, that EPA or the U.S. Department of Justice on behalf of EPA has incurred, or has become obligated for, at or in connection with the Site for the Removal Action at the Site as described in the action memorandum dated September 22, 1994 (Appendix A) and outlined in Paragraph 4 above, through the effective date of this agreement, plus accrued interest on all such costs through such date.

i. "Removal Action" shall mean the response action taken at the Site as described in the action memorandum dated September 22, 1994 (Appendix A) and outlined in Paragraph 4 above.

j. "Section" shall mean a portion of this Agreement identified by a roman numeral.

k. "Settling Parties" shall mean Eagle Marine Industries, Inc., Monsanto Company, and Solutia, Inc.

l. "Site" shall mean the Sauget Area 2, Site Q, encompassing approximately 90 acres, located in Sauget and Cahokia, Illinois and depicted more clearly on the map included in Appendix B.

m. "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

V. REIMBURSEMENT OF RESPONSE COSTS

11. Within 30 days of the effective date of this Agreement: Eagle Marine Industries, Inc. shall pay to the EPA Hazardous Substance Superfund \$25,000 in reimbursement of Past Response Costs; and on behalf of Monsanto Company and Solutia, Inc., Solutia, Inc. shall pay to the EPA Hazardous Substance Superfund \$155,000 in reimbursement of Past Response Costs.

12. Payments shall be made by certified or cashier's check made payable to "EPA Hazardous Substance Superfund." Each check shall reference the name and address of the party making payment, the Site name, the EPA Region and Site/Spill ID Number 05XX, and the EPA docket number for this action, and shall be sent to:

U.S. EPA Superfund
Region 5
Attention: Superfund Accounting
P.O. Box 70753
Chicago, Illinois 60673

13. At the time of payment, each Settling Party shall send notice that such payment has been made to:

Leslie A. Kirby
Assistant Regional Counsel (C-14J)
U.S. EPA
77 W. Jackson Blvd.
Chicago, IL 60604

VI. FAILURE TO COMPLY WITH AGREEMENT

14. In the event that any payment required by Paragraph 11 is not made when due, Interest shall accrue on the unpaid balance from the effective date of this agreement through the date of payment. No interest shall be due where the Settling Party makes a timely payment.

15. If any amounts due to EPA under Paragraph 11 are not paid by the required date, the Settling Party responsible for such payment shall pay to EPA, as a stipulated penalty, in addition to the Interest required by Paragraph 14, \$1,000.00 per violation per day that such payment is late.

16. Stipulated penalties are due and payable within 30 days of the date of demand for payment of the penalties. All payments to EPA under this Paragraph shall be identified as "stipulated penalties" and shall be made in accordance with Paragraphs 12 and 13.

17. Penalties shall accrue as provided above regardless of whether EPA has notified the Settling Parties of the violation or made a demand for payment, but need only be paid upon demand. All penalties shall begin to accrue on the day after performance is due, or the day a violation occurs, and shall continue to accrue through the final day of correction of the noncompliance or completion of the activity. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Agreement.

18. In addition to the Interest and Stipulated Penalty payments required by this Section and any other remedies or sanctions available to EPA by virtue of a Settling Party's failure to comply with the requirements of this Agreement, any Settling Party who fails or refuses to comply with any term or condition of this Agreement shall be subject to enforcement action pursuant to Section 122(h)(3) of CERCLA, 42 U.S.C. § 9622(h)(3). If the United States, on behalf of EPA, brings an action to enforce this Agreement against a noncomplying Settling Party, the Settling Party who has failed to comply with any terms of this Agreement, shall reimburse the United States for all costs of such action, including but not limited to costs of attorney time.

19. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive payment of any portion of the stipulated penalties that have accrued pursuant to this Agreement.

VII. COVENANT NOT TO SUE BY EPA

20. Except as specifically provided in Section VIII (Reservations of Rights by EPA), EPA covenants not to sue Settling Parties pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), to recover Past Response Costs associated with the Removal Action. This covenant shall take effect upon receipt by EPA of all amounts required by Section V (Reimbursement of Response Costs) and Section VI, Paragraphs 14 (Interest on Late Payments) and 15 (Stipulated Penalty for Late Payment). This covenant not to sue is conditioned upon the satisfactory performance by Settling Parties of their obligations under this Agreement. This covenant not to sue extends only to Settling Parties and does not extend to any other person.

VIII. RESERVATIONS OF RIGHTS BY EPA

21. The covenant not to sue by EPA set forth in Paragraph 20 does not pertain to any matters other than those expressly identified therein. EPA reserves, and this Agreement is without prejudice to, all rights against Settling Parties with respect to all other matters, including but not limited to:

- a. liability for failure of Settling Parties to meet a requirement of this Agreement;
- b. liability for costs incurred or to be incurred by the United States that are not within the definition of Past Response Costs;
- c. liability for injunctive relief or administrative order enforcement under Section 106 of CERCLA, 42 U.S.C. § 9606;
- d. criminal liability; and
- e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments.

22. Nothing in this Agreement is intended to be nor shall it be construed as a release, covenant not to sue, or compromise of any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the United States may have against any person, firm, corporation or other entity not a signatory to this Agreement.

IX. COVENANT NOT TO SUE BY SETTLING PARTIES

23. Settling Parties agree not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to Past Response Costs associated with the Removal Action or this Agreement, including but not limited to:

- a. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2),

9607, 9611, 9612, or 9613, or any other provision of law;

b. any claims arising out of the response actions at the Site for which the Past Response Costs associated with the Removal Action were incurred; and

c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to Past Response Costs.

24. Nothing in this Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

X. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

25. Nothing in this Agreement shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Agreement. EPA and Settling Parties each reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which each Party may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto.

26. EPA and Settling Parties agree that the actions undertaken by Settling Parties in accordance with this Agreement do not constitute an admission of any liability by any Settling Party and that, in any subsequent proceedings other than proceedings to implement or enforce this Agreement, no presumption of liability or allocation is created by this Agreement. Settling Parties do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Agreement, the validity of the facts or allegations contained in Section II of this Agreement.

27. The Parties agree that Settling Parties are entitled, as of the effective date of this Agreement, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Agreement. The "matters addressed" in this Agreement are Past Response Costs.

28. Each Settling Party agrees that with respect to any suit or claim for contribution brought by it for matters related to this Agreement, it will notify EPA in writing no later than 60 days prior to the initiation of such suit or claim. Each Settling Party also agrees that, with respect to any suit or claim for contribution brought against it for matters related to this Agreement, it will notify EPA in writing within 10 days of service of the complaint or claim upon it. In addition, each Settling Party shall notify EPA within 10 days of service or receipt of any Motion for Summary Judgment and within 10 days of receipt of any order from a court setting a case for trial, for matters related to this Agreement.

29. In any subsequent administrative or judicial proceeding initiated by EPA, or by the United States on behalf of EPA, for injunctive relief, recovery of response costs, or other appropriate relief relating to the Site, Settling Parties shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the covenant not to sue by EPA set forth in Paragraph 20.

XI. RETENTION OF RECORDS

30. Until 5 years after the effective date of this Agreement, each Settling Party shall preserve and retain all records and documents now in its possession or control, or which come into its possession or control, that relate in any manner to response actions taken at the Site or to the liability of any person for response actions conducted and to be conducted at the Site, regardless of any corporate retention policy to the contrary.

31. After the conclusion of the document retention period in the preceding Paragraph, Settling Parties shall notify EPA at least 90 days prior to the destruction of any such records or documents, and, upon request by EPA, Settling Parties shall deliver any such records or documents to EPA. Settling Parties may assert that certain documents, records, or other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Settling Parties assert such a privilege, they shall provide EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the privilege asserted. However, no documents, reports, or other information created or generated pursuant to the requirements of this or any other judicial or administrative settlement with the United States shall be withheld on the grounds that they are privileged. If a claim of privilege applies only to a portion of a document, the document shall be provided to EPA in redacted form to mask the privileged information only. Settling Parties shall retain all records and documents that they claim to be privileged until EPA has had a reasonable opportunity to dispute the privilege claim and any such dispute has been resolved in Settling Parties' favor.

32. By signing this Agreement, each Settling Party certifies individually that, to the best of its knowledge and belief, it has:

a. conducted a thorough, comprehensive, good faith search for documents, and has fully and accurately disclosed to EPA, all information currently in its possession, or in the possession of its officers, directors, employees, contractors or agents, which relates in any way to the ownership, operation or control of the Site, or to the ownership, possession, generation, treatment, transportation, storage or disposal of a hazardous substance, pollutant or contaminant at or in connection with the Site;

b. not altered, mutilated, discarded, destroyed or otherwise disposed of any records, documents or other information relating to its potential liability regarding the Site, after notification of potential liability or the filing of a suit against the Settling Party regarding the Site; and

c. fully complied with any and all EPA requests for information regarding the Site pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e).

XII. NOTICES AND SUBMISSIONS

33. Whenever, under the terms of this Agreement, notice is required to be given or a document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of this Agreement with respect to EPA and Settling Parties.

As to EPA:

Leslie A. Kirby
Assistant Regional Counsel (C-14J)
U.S. EPA
77 W. Jackson Blvd.
Chicago, IL 60604

As to Settling Parties:

Eagle Marine Industries, Inc.

Richard D. Burke
Eagle Marine Industries, Inc.
#1 Riverview Avenue
Sauget, Illinois 62201

Monsanto Company and Solutia Inc.

General Counsel
Solutia Inc.
10300 Olive Boulevard
St. Louis, Missouri 63166-6760

XIII. INTEGRATION/[APPENDICES]

34. This Agreement and its appendices constitute the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Agreement. The following appendices are attached to and incorporated into this Agreement:

"Appendix A" is the action memorandum for the Site dated September 22, 1994; and "Appendix B" is map of the Site.

XIV. PUBLIC COMMENT

35. This Agreement shall be subject to a public comment period of not less than 30 days pursuant to Section 122(i) of CERCLA, 42 U.S.C. § 9622(i). In accordance with Section 122(i)(3) of CERCLA, EPA may modify or withdraw its consent to this Agreement if comments received disclose facts or considerations which indicate that this Agreement is inappropriate, improper or inadequate.

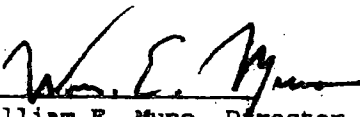
XV. EFFECTIVE DATE

36. The effective date of this Agreement shall be the date upon which EPA issues written notice to the Settling Parties that the public comment period pursuant to Paragraph 35 has closed and that comments received, if any, do not require modification of or EPA withdrawal from this Agreement.

IT IS SO AGREED:

U.S. Environmental Protection Agency

By:


William E. Muno, Director
Superfund Division
Region 5

Date

8/20/88

THE UNDERSIGNED SETTLING PARTY enters into this Agreement in the matter of [insert U.S. EPA docket number], relating to Sauget Area 2, Site Q located in Sauget and Cahokia, Illinois:

FOR SETTLING PARTY: Eagle Marine Industries, Inc. *lat*
~~1101 South Main Street~~ #1 Riverview Avenue
~~Sauget, Illinois 62201~~ Sauget, Illinois 62201

By:

Richard D. Burke
Richard D. Burke
President

Date

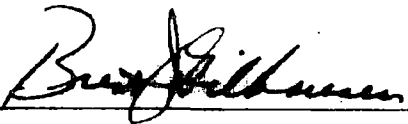
8/03/98

FOR SETTLING PARTY:

Monsanto Company
800 North Lindbergh Boulevard
St. Louis, MO 63167

By: Solutia Inc.
Attorney-in-Fact

Date: 8/6/98

By: 

Brent J. Gilhousen
Assistant General Counsel

FOR SETTLING PARTY:

**Solutia Inc.
10300 Olive Boulevard
St. Louis, MO 63166-6760**

By: 

**Brent J. Gilhousen
Assistant General Counsel**

Date: 8/6/98